REMARKS

Claims 1-30 are presently pending in this application. No amendment is being made at this time. Accordingly, claims 1-30 are at issue.

The Examiner has rejected claims 1-30 under 35 U.S.C. 103(a) as being unpatentable over Levine in view of King. Applicant respectfully traverses this rejection.

The invention of claim 1 is directed to a method of providing a loan wherein a first institution provides money for the loan, and a second institution is responsible for monitoring and administering the loan. According to claim 1, the method specifically requires "obtaining indemnification for said first institution of **all risk** for providing said money for said loan." (Emphasis added). That is, the first institution will not lose any money due to the delay in payment or default of the borrower.

Generally speaking, the invention relates to a method which separates the roles of money provider and lender/servicer/risk taker. In accordance with this method, the money provider assumes no risk at all.

The art relied upon by the Examiner does not disclose a method like that of claim 1, either alone or combined. In this regard, neither reference discloses indemnifying the money provider of all risk for providing the money.

The Examiner acknowledges "Levine does not disclose obtaining indemnification for said first institution of all risk for providing said money for said loan." (Office Action of September 13, 2006, p. 3). In an attempt to cure the inadequacies of Levine, the Examiner cites to King. Specifically, the Examiner maintains King "discloses obtaining indemnification for said first institution of all risk for providing said money for said loan (column 12, line 55 – column 13, line 50, the lender purchases the guaranteed investment contract from an insurance company)." However, contrary to the position taken by the Examiner, King also fails to disclose this limitation.

Referring to the portion of King specifically cited to by the Examiner, King discloses an insurance company borrower utilizing a Guaranteed Investment Contract (hereafter "GIC") which "may be designed to support a particular type of risk taking and/or investment activity of

the insurer borrower." (King, column 12, lines 60-62). A GIC, however, does not remove all risk as required in the claimed method.

A GIC is about removing the risk of interest rate fluctuations, not about removing the risk of investing one's "principal." As set forth at www.investorwords.com (a copy of which is attached hereto), a GIC is defined as a:

> Debt instrument issued by an insurance company, usually in a large denomination, and often bought for retirement plans. The interest rate paid is guaranteed, but the principal is not. Also called a guaranteed interest contract.

Accordingly, use of a GIC still does alleviate all risk.

Additionally, in King, the insurance company is the borrower. In contrast to this, in the method of claim 1, indemnification of all risk is provided to the money provider for giving money to lenders to lend to borrowers. Thus, the roles contemplated by the present invention and the direction of indemnification are not disclosed or otherwise suggested by King or Levine.

In view of the above comments, Applicant respectfully submits the method of claim 1 is not disclosed or suggested by the combination of Levine and King, and is therefore patentable over Levine in view of King. Claims 2-13 depend on claim 1, either directly or indirectly, and include each of its limitations. Accordingly, Applicant respectfully submits claims 2-13 are also patentable over Levine in view of King.

Independent claims 14, 23 and 29 also provide indemnification of all risk associated with providing or supplying money for a loan. Accordingly, for the reasons given above, Applicant respectfully submits claims 14 and 23 are also patentable over Levine in view of King.

Claims 15-22 depend on claim 14, either directly or indirectly, and include each of its limitations, claims 24-28 depend on claim 23, either directly or indirectly, and include each of its limitations, and claim 30 depends on claim 29 and includes each of its limitations. Accordingly, Applicant respectfully submits claims 15-22, 24-28 and 30 are also patentable over Levine in view of King.

In addition to the above, Applicant respectfully submits the Examiner failed to meet the PTO's burden of making a prima facie showing of obviousness because there is no motivation or incentive in the prior art to modify Levine in view of King in the manner

suggested by the Examiner. See *In re Napier*, 55 F.3d 610, 613, 34 U.S.P.Q.2d 1782, 1785 (Fed. Cir. 1995). Instead, the Examiner simply concludes such a modification is obvious. (See Office Action of September 13, 2006, p. 3) This is clearly insufficient.

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). Here, there is absolutely no incentive in Levine, King or anywhere else in the prior art to combine features of Levine with those of King in the manner suggested by the Examiner. When the motivation to combine or modify the teachings of the reference is not immediately apparent, it is the duty of the Examiner to explain why the combination of the teachings is proper. *Ex parte Skinner*, 2 USPQ2d 1788 (Bd. Pat. App. & Inter. 1986).

The Examiner bears the initial burden on factually supporting any *prima facie* conclusion of obviousness. See MPEP § 2142. In the present case, the Examiner fails to meet this burden, and simply concludes the claimed method is obvious without providing any supporting factual basis for this conclusion.

Conclusion

In light of the foregoing remarks, Applicant respectfully requests reconsideration and allowance of claims 1-30. The Examiner is invited to contact the undersigned attorney if there are any questions concerning this Response.

Respectfully submitted,

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CERTIFICATE OF MAILING (37 C.F.R. § 1.8a)
I hereby certify that this correspondence is, on the date shown below, being deposited with the United States Postal Service, with first class postage prepaid, in an envelope addressed to: Mail Stop Amendment, Commissioner For Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on December 7, 2006.

Linda K. Johnson

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